

Message Text

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ACTION EA-09

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

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COME-00 EB-07 FRB-03 TRSE-00 XMB-02 OPIC-03 CIEP-01

LAB-04 SIL-01 OMB-01 CU-02 OES-03 /088 W

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R 150924Z JAN 76

FM AMEMBASSY TAIPEI

TO SECSTATE WASHDC 8198

INFO AMEMBASSY MANILA

AMEMBASSY SEOUL

AMEMBASSY TOKYO

AMCONSUL HONG KONG

USLO PEKING

CINCPAC HONOLULU HI

C O N F I D E N T I A L SECTION 1 OF 2 TAIPEI 0344

CINCPAC FOR POLAD

NOFORN

E.O. 11652: GDS

TAGS: ECON, ELEC, TGEN, SCUL, TW

SUBJECT: PRELUDE TO THE YEAR OF THE DRAGON (PART II):

ECONOMY, ELECTRICITY, AND ETHNOCENTRICITY

1. THE ECONOMY: THE ECONOMIC ATMOSPHERE IN THE ROC SEEMS TO BE ONE OF WATCHFUL WAITING FOR THINGS TO GET BETTER. THE GROG APPEARS TO FEEL IT HAS DONE ALL THAT IT PROPERLY CAN AT PRESENT TO STABILIZE THE ECONOMIC SITUATION, STIMULATE GROWTH, AND ASSIST THE EXPORT SECTOR IN MAINTAINING ITS COMPETITIVE POSITION IN WORLD MARKETS.

2. THERE HAVE ALREADY BEEN SOME ENCOURAGING DEVELOPMENTS TO LEND SUPPORT TO THE BELIEF THAT THINGS ARE IMPROVING:

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A) INCREASED ORDERS IN TEXTILES AND TO A LESSER DEGREE IN

ELECTRONICS; B) AN ENCOURAGING INCREASE IN EXPORTS ON A MONTHLY BASIS, RISING TO US DOLS 590 MILLION IN DECEMBER; C) RELATIVE PRICE AND WAGE STABILITY MAKING IT POSSIBLE FOR EXPORT PRICES TO BE HELD IN LINE; D) CONTINUED INTEREST OF FOREIGN FIRMS, MAINLY AMERICAN, IN TAKING ADVANTAGE OF LOW COST OPERATIONS IN THE ROC TO EXPAND EXISTING PLANTS OR BUILD NEW ONES; AND E) CONTINUED IMPROVEMENT IN PRODUCTION FIGURES. BASED ON THESE DEVELOPMENTS, THE GOVERNMENT HAS DECIDED TO MOVE AHEAD WITH EXPANSION OF TELECOMMUNICATIONS FACILITIES IN ADDITION TO MAINTAINING THE PACE OF THE 10 MAJOR PROJECTS.

3. HOWEVER, PROBLEMS OF OVER-CAPACITY, SHORTAGE OF WORKING CAPITAL, AND LACK OF FULL ORDER BOOKS FROM ABROAD FOR SOME FIRMS REMAIN. AS A RESULT, CONSIDERABLE PRESSURE IS BEING PLACED ON THE GROC TO DEVALUE THE NT DOLLAR. THE LEADERSHIP HAS THUS FAR FIRMLY RESISTED THIS PRESSURE, WAITING TO SEE IF THE ECONOMY IMPROVES SUFFICIENTLY QUICKLY TO OBTAIN NEED FOR SUCH AN EXTREME MEASURE. IN THIS CONNECTION, IT IS NOTED THAT THE BALANCE OF TRADE IS IMPROVING AND FOREIGN EXCHANGE RESERVES ARE HOLDING UP.

4. ELECTRICITY: AN ISLAND-WIDE POWER OUTAGE, WHICH LASTED FOUR HOURS IN TAIPEI AND LONGER IN OTHER AREAS, OCCURRED ON JANUARY 7, APPARENTLY BECAUSE OF DAMAGE TO A HIGH TENSION LINE OUTSIDE KAOHSIUNG. THE TAIWAN POWER COMPANY DENIED A WIDELY-HEARD RUMOR THAT THE DAMAGE WAS CAUSED BY A LIGHT AIRPLANE, POSSIBLY A MILITARY TRAINER, AND HAS ASKED GE TO SEND AN EXPERT TO HELP DETERMINE THE EXACT CAUSE, WHICH WAS SOME TYPE OF EQUIPMENT FAILURE.

5. THE PREMIER REPORTEDLY WAS VERY ANGRY ABOUT THIS INCIDENT AND ISSUED FIRM INSTRUCTIONS TO PLAN ADEQUATE COUNTERMEASURES SO THAT IT COULD NEVER HAPPEN AGAIN. IN THAT CONTEXT, IT IS NOT SURPRISING THAT WHEN INSPECTING THE MINISTRY OF NATIONAL DEFENSE ON JANUARY 9 THE PREMIER INCLUDED "PRESERVATION OF THE NATION'S WATER AND ELECTRICAL FACILITIES" AS ONE OF SIX DIRECTIVES ISSUED TO THE MINISTRY.

6. ETHNOCENTRICITY: THE CHINA NEWS REPORTED THAT SCIENTISTS PARTICIPATING IN A JANUARY 6 PANEL DISCUSSION SPONSORED BY CONFIDENTIAL

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THE TAMKANG COLLEGE OF ARTS AND SCIENCES AND CHAIRED BY WU TA-YU (0702/1129/3731), CHAIRMAN OF THE NATIONAL SCIENCE COUNCIL AND THE COMMITTEE FOR SCIENCE DEVELOPMENT, AGREED THAT SCIENCE SHOULD BE SINICIZED. REPORTEDLY, SINICIZATION OF SCIENCE WOULD NOT BE LIMITED TO TRANSLATING SCIENTIFIC TERMS INTO CHINESE BUT WOULD ALSO EXTEND TO THE "CONTENTS OF SCIENCE." WU WAS QUOTED AS SAYING THAT SCIENTISTS IN OTHER COUNTRIES WILL NOT OR CANNOT SOLVE PROBLEMS PECULIAR

TO CHINA. IT WILL BE UP TO CHINESE SCIENTISTS, HE SAID, TO SOLVE CHINESE PROBLEMS.

7. THE EMBASSY IS SOMEWHAT MYSTIFIED BY WHAT CONCRETE ACTIONS MIGHT BE TAKEN TO PROMOTE THE SINICIZATION OF SCIENCE. HOWEVER, THE THINKING BEHIND THIS DECISION MAY BE A RETREAT FROM THE TRADITIONAL CHINESE APPROACH TO WESTERN CIVILIZATION (WHICH EMERGED IN THE NINETEENTH CENTURY AND HAS CONTINUED TO THE PRESENT IN THE ROC) OF PRESERVING CHINESE PHILOSOPHICAL IDEAS WHILE ADOPTING WESTERN SCIENTIFIC KNOWLEDGE AND TECHNOLOGY. IT MAY ALSO BE A RATHER ODD MANIFESTATION OF THE THEME OF SELF-RELIANCE, WHICH HAS BEEN INCREASINGLY EMPHASIZED BY THE ROC IN THE PAST YEAR.

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8. THE LATTER PART OF 1975 ALSO SAW MODIFICATIONS IN CHINESE

WRITTEN LANGUAGE. AFTER WHAT WAS APPARENTLY A LENGTHY AND HEATED CONTROVERSY, IT WAS DECIDED THAT THERE IS NO NECESSITY OF STANDARDIZING THE DIRECTION IN WHICH CHINESE CHARACTERS ARE WRITTEN. UP TO DOWN, RIGHT TO LEFT, LEFT TO RIGHT -- ALL ARE ACCEPTABLE. IN AN APPARENTLY RELATED MOVE, TELEVISION SUBTITLES, WHICH PREVIOUSLY READ RIGHT TO LEFT, NOW READ LEFT TO RIGHT, AND NEWLY PAINTED STREET SIGNS IN TAIPEI HAVE ALSO ADOPTED THIS STYLE, WHICH FOLLOWS THE PRACTICE LONG SINCE ADOPTED IN THE PRC. AS FAR AS THE EMBASSY IS AWARE, HOWEVER, ALL LOCAL PUBLICATIONS CONTINUE TO FOLLOW THE PREVIOUS PRACTICE OF READING UP TO DOWN OR RIGHT TO LEFT.

9. THE COMPILATION BY THE MINISTRY OF EDUCATION (MOE) OF A CONFIDENTIAL

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LIST OF THE 4709 MOST FREQUENTLY USED CHINESE CHARACTERS ALSO APPEARS TO REPRESENT ANOTHER MODIFICATION IN PREVIOUS GROG ATTITUDES TOWARD MAINTAINING THE PURITY OF THE CHINESE LANGUAGE. REPORTEDLY, THE MOE IN COMPILING THIS LIST FOLLOWED, INTER ALIA, THE PRINCIPLES THAT "THE SIMPLE FORM IS PREFERRED TO THE MORE COMPLICATED FORM/ AND "THE POPULAR FORM IS PREFERRED TO WHAT IS CONSIDERED THE 'REGULAR' BUT LESS USED FORM."

10. THE QUESTION OF THE FORM AND SIMPLIFICATION OF CHARACTERS HAS BEEN A SENSITIVE ISSUE LOCALLY FOR YEARS. THE LATE PRESIDENT CHIANG KAI-SHEK REPORTEDLY STRONGLY OPPOSED MOVES TO MODIFY THE WRITTEN LANGUAGE. OPPOSITION TO SIMPLIFICATION HAS BEEN APPARENTLY BASED BOTH ON A DESIRE BY TRADITIONALISTS TO MAINTAIN THE PURITY OF THE ORIGINAL, UNADULTERATED FORM AND ON A RELUCTANCE TO APPEAR TO FOLLOW A PATH ALREADY PIONEERED BY THE PRC.

11. ALTHOUGH THE EMBASSY HAS NOT YET SEEN THE MOE LIST, THE SIMPLIFICATIONS IT CONTAINS ARE PROBABLY PRIMARILY THOSE WHICH HAVE NATURALLY EVOLVED OVER A NUMBER OF YEARS AND ARE ALREADY COMMONLY USED, ESPECIALLY IN HANDWRITTEN MESSAGES; AND IT IS VERY DOUBTFUL THAT THE PRC PRACTICE OF DEVISING NEW FORMS FOR COMPLEX CHARACTERS NOT ALREADY POSSESSING SIMPLIFIED FORMS HAS BEEN ADOPTED BY THE MOE. NONETHELESS, THIS APPARENT MODIFICATION OF PREVIOUS POLICY AS WELL AS OFFICIAL ACQUIESCENCE IN AND AT LEAST PARTIAL ENDORSEMENT OF WRITING FROM LEFT TO RIGHT AS DESCRIBED ABOVE BOTH INDICATE THAT THE GROG, DESPITE POTENTIAL CHARGES THAT IT IS APING ITS BIGGER BROTHER ACROSS THE STRAIT, MAY BE INCREASINGLY PREPARED TO SEEK METHODS BY WHICH TO MAKE MORE MANAGEABLE THE PRESENTLY UNWIELDY STSTEM OF CHINESE WRITING IN ORDER TO PROMOTE A HIGHER LEVEL OF LITERACY.

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